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SENSITIVE
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PM/DTTC - BLUE LANTERN COORDINATOR

E.O. 12958: N/A
TAGS: [ETTC](#) [KOMC](#) [IS](#)
SUBJECT: RESPONSE TO BLUE LANTERN CHECK ON M-113 ENGINE
RETRANSFER

REF: STATE 46926

¶1. (SBU) Summary: Per reftel, Post raised the possible unauthorized retransfer of M-113 engines by the GOI through Israeli company L.A. Nordan to U.S. company Pan Pacific Enterprises (PPE). According to both the Israeli MOD and L.A. Nordan, no M-113 engine transaction or retransfer occurred, contrary to the reftel PPE letter suggesting otherwise. Polmiloff discussed the case with the MOD and L.A. Nordan point of contact Didi Aspis on June 19. End summary.

¶2. (SBU) According to Kobi Fogler from the MOD's Directorate of Security Defense Establishment (MALMAB), no retransfer of M-113 engines ever took place. He acknowledged that L.A. Nordan had been contacted by PPE's President David Pan regarding the engines, and that L.A. Nordan subsequently contacted the MOD regarding a potential transaction. However, Fogler stated that PPE never obtained an export license and L.A. Nordan opted not to pursue the case any further. Moreover, he said the IDF currently lacks any spare M-113 engines. From the GOI's perspective, Fogler stated the case was "closed," and that the PPE letter to DTTC was inaccurate.

¶3. (SBU) L.A. Nordan point of contact Didi Aspis also confirmed via telephone that no transaction regarding M-113 engines had taken place. He acknowledged that PPE's Pan contacted him "over a year ago" about the possibility of supplying 30 M-113 engines. Aspis said he told Pan that he did not possess any such engines, and would need to contact the IDF due to the engines' military purpose. Aspis was well aware of the export control process, noting that a typical export license would require three to six months, while suspecting a license for military equipment would take longer. He said he passed this information on to Pan, and since PPE never obtained an export license, Aspis considered the case dropped. He added that he had heard PPE chose to pursue the engine transaction through another supplier, but could provide no further details.

¶4. (SBU) Aspis said he was "surprised" by the recent attention to a case that from his perspective "never happened." He stressed that he made no money on the case, as no transaction was made. He also disputed PPE's claim regarding the "untraceable" contract numbers for the engines, as cited in PPE's letter to DTTC. To the contrary, Aspis said Pan had asked for engine contract numbers, and that he specifically told Pan that was not possible.

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